

1-1 By: Ellis S.B. No. 1943
1-2 (In the Senate - Filed May 5, 2003; May 6, 2003, read first
1-3 time and referred to Committee on Intergovernmental Relations;
1-4 May 20, 2003, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 4, Nays 0; May 20, 2003,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1943 By: Deuell

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the creation of the Montrose Museum Community
1-11 Improvement District; providing the authority to impose taxes and
1-12 issue bonds.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. CREATION OF DISTRICT. (a) The Montrose Museum
1-15 Community Improvement District is a special district created under
1-16 Section 59, Article XVI, Texas Constitution.

1-17 (b) The board by resolution may change the name of the
1-18 district.

1-19 SECTION 2. DEFINITIONS. In this Act:

1-20 (1) "Board" means the board of directors of the
1-21 district.

1-22 (2) "District" means the Montrose Museum Community
1-23 Improvement District.

1-24 SECTION 3. DECLARATION OF INTENT. (a) The creation of the
1-25 district is essential to accomplish the purposes of Sections 52 and
1-26 52-a, Article III, and Section 59, Article XVI, Texas Constitution,
1-27 and other public purposes stated in this Act.

1-28 (b) The creation of the district is necessary to promote,
1-29 develop, encourage, and maintain employment, commerce,
1-30 transportation, housing, tourism, recreation, the arts,
1-31 entertainment, economic development, safety, and the public
1-32 welfare in the area of the district.

1-33 (c) This Act and the creation of the district may not be
1-34 interpreted to relieve Harris County or the City of Houston from
1-35 providing the level of services provided, as of the effective date
1-36 of this Act, to the area in the district. The district is created to
1-37 supplement and not to supplant the county or city services provided
1-38 in the area in the district.

1-39 SECTION 4. BOUNDARIES. The district includes all the
1-40 territory contained in the following described area:

1-41 All Boundary Descriptions, unless otherwise specified, assume the
1-42 Center point of the right of way line for all streets mentioned in
1-43 the description below.

1-44 THE MONTROSE MUSEUM COMMUNITY IMPROVEMENT DISTRICT BOUNDARY LINE
1-45 COMMENCES:

1-46 At the northeast corner of the intersection of Shepard Street and
1-47 West Dallas, heading in an easterly direction along West Dallas to
1-48 the intersection of West Dallas and Taft streets; thence,
1-49 Heading in a southerly direction on Taft to the intersection of Taft
1-50 and Welch; thence, proceeding in an easterly direction on Welch to
1-51 the intersection of Welch and Gennesee; continuing in a
1-52 southeasterly direction on Welch to the intersection of Welch and
1-53 Boston, where the boundary line intersects with the approved
1-54 boundary line for the Midtown town management district; thence,
1-55 Proceeding from the intersection of Welch and Boston, the boundary
1-56 line parallels the Midtown Management district boundary line in a
1-57 southwesterly direction on Boston, as it proceeds in a
1-58 southeasterly direction on Tuam, and continues in a southerly
1-59 direction from Tuam to the intersection of Tuam and Bagby, and
1-60 continues in a southerly direction as Bagby turns into Spur 527;
1-61 thence, the boundary line continues to parallel the Midtown
1-62 Management district boundary line as the boundary line as it
1-63 proceeds from US Hwy 59, in an easterly direction until it

2-1 intersects with Main Street, then proceeds in a southwesterly
2-2 direction until the Midtown management district boundary line comes
2-3 to the intersection of Portland and Main; thence, the Boundary for
2-4 the Montrose Museum Community Improvement District proceeds in a
2-5 southwesterly direction along Main Street, paralleling the
2-6 boundary line for the Greater Southeast management district until
2-7 the intersection of Main and Bissonnet Street; thence the boundary
2-8 line proceeds in a Westerly direction along Bissonnet Street, until
2-9 Bissonnet intersects with Graustark street; thence, proceeding
2-10 north on Graustark to the intersection of Graustark street and US
2-11 Hwy 59; thence, proceeding in a southwesterly direction along the
2-12 eastern ROW line of US Hwy 59 from the intersection of Graustark and
2-13 US Hwy 59 to the intersection of South Shepard and US Hwy 59;
2-14 thence, proceeding in a northerly direction on South Shepard from
2-15 the intersection of South Shepard and US Hwy 59, to the intersection
2-16 of Shepard and Brentwood, where the boundary line will bear right
2-17 along the "s" curve of South Shepard to the intersection of Shepard
2-18 and West Dallas Street, the point and place of beginning.

2-19 SAVE AND EXCEPT all tracts or parcels of land, rights-of-way,
2-20 facilities and improvements owned by a utility.

2-21 SECTION 5. FINDINGS RELATING TO BOUNDARIES. The boundaries
2-22 and field notes of the district form a closure. A mistake in the
2-23 field notes or in copying the field notes in the legislative process
2-24 does not in any way affect the district's:

2-25 (1) organization, existence, or validity;

2-26 (2) right to issue any type of bond for a purpose for
2-27 which the district is created or to pay the principal of and
2-28 interest on a bond;

2-29 (3) right to impose or collect an assessment or tax; or

2-30 (4) legality or operation.

2-31 SECTION 6. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

2-32 (a) The district is created to serve a public use and benefit.

2-33 (b) All land and other property included in the district
2-34 will benefit from the improvements and services to be provided by
2-35 the district under powers conferred by Sections 52 and 52-a,
2-36 Article III, and Section 59, Article XVI, Texas Constitution, and
2-37 other powers granted under this Act.

2-38 (c) The creation of the district is in the public interest
2-39 and is essential to:

2-40 (1) further the public purposes of development and
2-41 diversification of the economy of the state;

2-42 (2) eliminate unemployment and underemployment; and

2-43 (3) develop or expand transportation and commerce.

2-44 (d) The district will:

2-45 (1) promote the health, safety, and general welfare of
2-46 residents, employers, employees, visitors, and consumers in the
2-47 district and of the public;

2-48 (2) provide needed funding to preserve, maintain, and
2-49 enhance the economic health and vitality of the district as a
2-50 community and business center; and

2-51 (3) promote the health, safety, welfare, and enjoyment
2-52 of the public by providing pedestrian ways and by landscaping and
2-53 developing certain areas in the district, which are necessary for
2-54 the restoration, preservation, and enhancement of scenic beauty.

2-55 (e) Pedestrian ways along or across a street, whether at
2-56 grade or above or below the surface, and street lighting, street
2-57 landscaping, and street art objects are parts of and necessary
2-58 components of a street and are considered to be a street or road
2-59 improvement.

2-60 (f) The district will not act as the agent or
2-61 instrumentality of any private interest even though the district
2-62 will benefit many private interests as well as the public.

2-63 SECTION 7. APPLICATION OF OTHER LAW. (a) Except as
2-64 otherwise provided by this Act, Chapter 375, Local Government Code,
2-65 applies to the district.

2-66 (b) Chapter 311, Government Code (Code Construction Act),
2-67 applies to this Act.

2-68 SECTION 8. CONSTRUCTION OF ACT. This Act shall be liberally
2-69 construed in conformity with the findings and purposes stated in

3-1 this Act.

3-2 SECTION 9. BOARD OF DIRECTORS IN GENERAL. (a) The
3-3 district is governed by a board of 13 directors appointed under
3-4 Section 11 of this Act.

3-5 (b) Directors serve staggered terms of four years, with five
3-6 directors' terms expiring June 1 of an odd-numbered year and eight
3-7 directors' terms expiring June 1 of the following odd-numbered
3-8 year.

3-9 SECTION 10. QUALIFICATIONS. (a) To be qualified to serve
3-10 as a director, a person must be at least 18 years old and:

3-11 (1) an owner of property subject to assessment by the
3-12 district;

3-13 (2) an owner of a beneficial interest in a trust that
3-14 owns property subject to assessment by the district; or

3-15 (3) an agent, employee, or tenant nominated by a
3-16 person described in Subdivision (1) or (2).

3-17 (b) Section 375.063, Local Government Code, does not apply
3-18 to the district.

3-19 SECTION 11. APPOINTMENT OF DIRECTORS. The mayor and
3-20 members of the governing body of the City of Houston shall appoint
3-21 directors from persons recommended by the board. A person is
3-22 appointed if a majority of the members of the governing body,
3-23 including the mayor, vote to appoint that person.

3-24 SECTION 12. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT.

3-25 (a) Except as provided by this section:

3-26 (1) a director may participate in all board votes and
3-27 decisions; and

3-28 (2) Chapter 171, Local Government Code, governs
3-29 conflicts of interest for directors.

3-30 (b) Section 171.004, Local Government Code, does not apply
3-31 to the district. A director who has a substantial interest in a
3-32 business or charitable entity that will receive a pecuniary benefit
3-33 from a board action shall file a one-time affidavit declaring the
3-34 interest. An additional affidavit is not required if the
3-35 director's interest changes. After the affidavit is filed with the
3-36 board secretary, the director may participate in a discussion or
3-37 vote on that action if:

3-38 (1) a majority of the directors have a similar
3-39 interest in the same entity; or

3-40 (2) all other similar business or charitable entities
3-41 in the district will receive a similar pecuniary benefit.

3-42 (c) A director who is also an officer or employee of a public
3-43 entity may not participate in the discussion of or vote on a matter
3-44 regarding a contract with that same public entity.

3-45 (d) For purposes of this section, a director has a
3-46 substantial interest in a charitable entity in the same manner that
3-47 a person would have a substantial interest in a business entity
3-48 under Section 171.002, Local Government Code.

3-49 SECTION 13. ELECTRONIC TRANSMISSIONS. (a) The district
3-50 may acquire, operate, or charge fees for the use of the district
3-51 conduits for:

3-52 (1) another person's:

3-53 (A) telecommunications network;

3-54 (B) fiber-optic cable; or

3-55 (C) electronic transmission line; or

3-56 (2) any other type of transmission line or supporting
3-57 facility.

3-58 (b) The district may not require a person to use a district
3-59 conduit.

3-60 SECTION 14. ADDITIONAL POWERS OF DISTRICT. The district
3-61 may exercise the powers given to:

3-62 (1) a corporation created under Section 4B,
3-63 Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas
3-64 Civil Statutes); and

3-65 (2) a housing finance corporation created under
3-66 Chapter 394, Local Government Code, to provide housing or
3-67 residential development projects in the district.

3-68 SECTION 15. AGREEMENTS; GRANTS. (a) The district may make
3-69 an agreement with or accept a gift, grant, or loan from any person.

4-1 (b) The implementation of a project is a governmental
4-2 function or service for the purposes of Chapter 791, Government
4-3 Code.

4-4 SECTION 16. LAW ENFORCEMENT SERVICES. To protect the
4-5 public interest, the district may contract to provide law
4-6 enforcement services in the district for a fee.

4-7 SECTION 17. NONPROFIT CORPORATION. (a) The board by
4-8 resolution may authorize the creation of a nonprofit corporation to
4-9 assist and act on behalf of the district in implementing a project
4-10 or providing a service authorized by this Act.

4-11 (b) The board shall appoint the board of directors of a
4-12 nonprofit corporation. The board of directors of the nonprofit
4-13 corporation shall serve in the same manner as the board of directors
4-14 of a local government corporation created under Chapter 431,
4-15 Transportation Code.

4-16 (c) The nonprofit corporation:

4-17 (1) has the powers of and is considered for purposes of
4-18 this Act to be a local government corporation created under Chapter
4-19 431, Transportation Code; and

4-20 (2) may implement any project and provide any service
4-21 authorized by this Act.

4-22 SECTION 18. REQUIREMENTS FOR FINANCING SERVICES AND
4-23 IMPROVEMENTS. The board may not finance a service or improvement
4-24 project with assessments under this Act unless a written petition
4-25 requesting that improvement or service has been filed with the
4-26 board. The petition must be signed by:

4-27 (1) the owners of a majority of the assessed value of
4-28 real property in the district that will be subject to the assessment
4-29 as determined by the most recent certified tax appraisal roll for
4-30 Harris County; or

4-31 (2) at least 50 owners of real property in the district
4-32 that will be subject to the assessment, if more than 50 persons own
4-33 real property subject to the assessment in the district as
4-34 determined by the most recent certified tax appraisal roll for
4-35 Harris County.

4-36 SECTION 19. ASSESSMENTS. (a) The board by resolution may
4-37 impose and collect an assessment for any purpose authorized by this
4-38 Act.

4-39 (b) An assessment, a reassessment, or an assessment
4-40 resulting from an addition to or correction of the assessment roll
4-41 by the district, penalties and interest on an assessment or
4-42 reassessment, an expense of collection, and reasonable attorney's
4-43 fees incurred by the district:

4-44 (1) are a first and prior lien against the property
4-45 assessed;

4-46 (2) are superior to any other lien or claim other than
4-47 a lien or claim for county, school district, or municipal ad valorem
4-48 taxes; and

4-49 (3) are the personal liability of and charge against
4-50 the owners of the property even if the owners are not named in the
4-51 assessment proceedings.

4-52 (c) The lien is effective from the date of the resolution of
4-53 the board imposing the assessment until the date the assessment is
4-54 paid. The board may enforce the lien in the same manner that the
4-55 board may enforce an ad valorem tax lien against real property.

4-56 SECTION 20. UTILITIES. The district may not impose an
4-57 impact fee or assessment on the property, including the equipment,
4-58 rights-of-way, facilities, or improvements, of an electric utility
4-59 or a power generation company as defined by Section 31.002,
4-60 Utilities Code, or a gas utility as defined by Section 101.003 or
4-61 121.001, Utilities Code, or a telecommunications provider as
4-62 defined by Section 51.002, Utilities Code, or a cable operator as
4-63 defined by 47 U.S.C. Section 522 and its subsequent amendments.

4-64 SECTION 21. BONDS. (a) The district may issue bonds or
4-65 other obligations payable in whole or in part from ad valorem taxes,
4-66 assessments, impact fees, revenue, grants, or other money of the
4-67 district, or any combination of those sources of money, to pay for
4-68 any authorized purpose of the district.

4-69 (b) The board may not issue bonds for a service or

5-1 improvement project under this Act unless a written petition
5-2 requesting that improvement or service has been filed with the
5-3 board. The petition must be signed by the owners of a majority of
5-4 the assessed value of real property in the district that will be
5-5 subject to the assessment as determined by the most recent
5-6 certified tax appraisal roll for Harris County.

5-7 (c) In exercising the district's borrowing power, the
5-8 district may issue a bond or other obligation in the form of a bond,
5-9 note, certificate of participation or other instrument evidencing a
5-10 proportionate interest in payments to be made by the district, or
5-11 other type of obligation.

5-12 SECTION 22. DISBURSEMENTS OR TRANSFERS OF MONEY. The board
5-13 by resolution shall establish the number of directors' signatures
5-14 and the procedure required for a disbursement or transfer of the
5-15 district's money.

5-16 SECTION 23. COMPETITIVE BIDDING LIMIT. Section 375.221,
5-17 Local Government Code, applies to the district only for a contract
5-18 that has a value of more than \$25,000.

5-19 SECTION 24. EXCEPTION FOR DISSOLUTION OF DISTRICT WITH
5-20 OUTSTANDING DEBT. (a) The board may vote to dissolve a district
5-21 that has debt. If the vote is in favor of dissolution, the district
5-22 shall remain in existence solely for the limited purpose of
5-23 discharging its debts. The dissolution is effective when all debts
5-24 have been discharged.

5-25 (b) Section 375.264, Local Government Code, does not apply
5-26 to the district.

5-27 SECTION 25. INITIAL DIRECTORS. (a) The initial board
5-28 consists of the following persons:

5-29	Pos. No.	Name of Director
5-30	1	Clay Moore
5-31	2	Andrea Booker-Smith
5-32	3	Gayle Ramsey
5-33	4	Irving Phillips
5-34	5	Tom MacLennan
5-35	6	Claude Wynn
5-36	7	Brett Littel
5-37	8	Raju Adwaney
5-38	9	Al Leal
5-39	10	June Deadrick
5-40	11	William Paul Thomas
5-41	12	Karen Domino
5-42	13	Jeff Andrews

5-43 (b) Of the initial directors, the terms of directors
5-44 appointed for positions 1 through 5 expire June 1, 2005, and the
5-45 terms of directors appointed for positions 6 through 13 expire June
5-46 1, 2007.

5-47 (c) Section 11 of this Act does not apply to this section.

5-48 (d) This section expires September 1, 2007.

5-49 SECTION 26. LEGISLATIVE FINDINGS. The legislature finds
5-50 that:

5-51 (1) proper and legal notice of the intention to
5-52 introduce this Act, setting forth the general substance of this
5-53 Act, has been published as provided by law, and the notice and a
5-54 copy of this Act have been furnished to all persons, agencies,
5-55 officials, or entities to which they are required to be furnished by
5-56 the constitution and laws of this state, including the governor,
5-57 who has submitted the notice and Act to the Texas Commission on
5-58 Environmental Quality;

5-59 (2) the Texas Commission on Environmental Quality has
5-60 filed its recommendations relating to this Act with the governor,
5-61 lieutenant governor, and speaker of the house of representatives
5-62 within the required time;

5-63 (3) the general law relating to consent by political
5-64 subdivisions to the creation of districts with conservation,
5-65 reclamation, and road powers and the inclusion of land in those
5-66 districts has been complied with; and

5-67 (4) all requirements of the constitution and laws of
5-68 this state and the rules and procedures of the legislature with
5-69 respect to the notice, introduction, and passage of this Act have

6-1 been fulfilled and accomplished.
6-2 SECTION 27. EFFECTIVE DATE. This Act takes effect
6-3 immediately if it receives a vote of two-thirds of all the members
6-4 elected to each house, as provided by Section 39, Article III, Texas
6-5 Constitution. If this Act does not receive the vote necessary for
6-6 immediate effect, this Act takes effect September 1, 2003.

6-7 * * * * *